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TS-102600

Copies 1, 2, 3, 4 & 5
of 7

7 June 1954

Comptroller

Chief, Finance Division

Report on Condition of Subsidy Projects at 31 March 1954

1. Attached are five (5) copies of the subject report.
2. The subject report reflects information received and recorded by Finance Division through 31 March 1954. Unrecorded accountings were, however, considered in determining delinquency in submittal of reports. Projects for which no advance or memorandum balances are carried at date of the report are not included in the report.
3. Also, attention is invited to the footnote on the report regarding receipt of audit reports. Since the Audit Office is furnishing reports only in certain instances, the fact that an audit report has not been received does not necessarily indicate non-compliance with audit requirements.
4. The preparation of this report has become a major task for the Proprietary Accounts Branch. The combined Proprietary and Subsidy phases of the 31 March report required a total of 170 man hours, or the time of one employee for a full month. This time element represents 1/3 of the man hours available to the Branch during the period of preparation of the report.
5. The time element required for the preparation of the report is primarily attributable to the inadequacy of historical information on subsidies, and to the fact that many such projects are controlled, in the field, with the result that only expenses are readily available in Headquarters records. In many cases, projects appearing on the report for the first time may have been in operation for several years. Such projects are picked up for current reporting purposes as a result of activity currently reported by stations. In such instances, it is then necessary to search out information necessary to complete the Total Authorized and Total Disbursed columns. Due to many changes in system, cryptonyms, etc., through the years, it is often very difficult to determine when and if full information has been developed. Not only do these factors create time consuming analysis problems, but also contribute such an area of uncertainty about the accuracy and completeness of the information obtainable as to cast doubt on the validity of the presentation of many projects in the report.
6. We realize that a report of this nature could be a very valuable instrument in the administration and control of these projects. At this time, however, I feel that there is considerable doubt that the report

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is of such value as to warrant the major sacrifice of current operations that its preparation entails. It is my suggestion that the desirability of continuing this report in its present form be reviewed with a view to such revision as may be indicated to be desirable in the light of information available and capabilities of producing a report which can be relied upon as being factual and administratively useful. While such study and determination is in process, I suggest that the present report be reduced in scope to cover proprietary projects only.



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Attachments

FD/LEB:mct

cc: Proprietary Accts. Br.

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